GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2847
ANSWERED ON:17.12.2004
SETTLEMENT OF CLAIMS
Thakkar Smt. Jayaben B.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the fact that the DICGC is expected to sanction the claims within 60 days. Normally, the claims are sanctioned by the Corporation on the basis of Augdit Certification sent by the Bank. Recently the Corporation has decided to audit the claims through Chartered Accountant appointed by RBI and as a result, the settlement of claims is getting delayed causing discontentment among the depositors; and

(b) if so, the reaction of the Government on the above matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): Yes, Sir. According to the information furnished by Deposit Insurance and Credit Guarantee Corporation (DICGC), it has been decided to get the claims list certified/verified by the Chartered Accountant firms available on the approved list of Reserve Bank of India (RBI) keeping in view the interest of the depositors. The claim list and data submitted by banks/liquidators in respect of some cases have been found to be of poor/very poor quality resulting in avoidable correspondence and in resubmission of data more than once. This had been resulting in delay in settlement of claims. Though DICGC gives highest priority to very quick settlement of claims, it cannot settle incorrect claims. In order to bring about improvement in this regard, the system of verification of the claims list by Chartered Accountant firms has been introduced recently, which would also speed up the processing of claims in DICGC. In addition, the system of settlement of deposit insurance claims is monitored by the Corporation with an intention to make correct and timely payments to all concerned depositors.